



Town of Arlington, Massachusetts
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Finance Committee Minutes 12-19-2001

7:30 PM Town Hall hearing room
 12/19/01

ATTENDEES:

Janowitz*	Feinleib*	Kocur	O'Neill*	Mahoney*
DeCourcey*	Connors	Simmons*	Morrisette*	
Tosti*	Foskett*	Deyst*	Ronan	
Piandes*	Franclemont*		Olsen	
DuBois*	Howard*	Fanning	Tosi	Kneeland*

* Indicates present

VISITORS: Selectmen Charlie Lyons, Diane Mahon, Kathleen Dias; Town Counsel John Maher; Town Manager Phil Farrington

MINUTES of 10/1/01 accepted as printed.

Symmes Purchase:

Tosti announced that this was to be an information meeting. Vote planned for January.

Lyons reviewed the history of the Symmes site. He stated that following the 2-to-1 vote last year which approved Prop 2 1/2 debt exclusion to purchase the site, the Board of Selectmen established principles to govern acquisition & operation:

- The acquisition & operation would be revenue neutral (or revenue producing)
- 50% open space would be retained
- Affordable housing would be developed
- Development would be sensitive to the neighborhood
- The possibility of future medical use would be protected

He stated that the Board of Selectmen had approved the P&S Agreement unanimously. The Special Town Meeting will be called back Jan 14 and will be asked to stay in session until a vote on borrowing and lease approval is complete.

Maher reviewed the P&S agreement. He stated that the original appraisal last March found the site worth \$8.1 as commercial office space. The Town had the site reappraised during the summer by the same appraiser. Because of the changed economy, the new best use was high density housing at a value of \$6.45m. The P&S is for \$7.1m. Maher reviewed other elements of the P&S which he considers very important to the Town. The seller (Lahey/Health South) will pay to remediate the 2 known contaminations: a hydraulic oil leak from an elevator and a fuel oil leak. The seller will pay for any 3d party claims resulting from these 2 leaks. The seller will share remediation costs with the Town for any additional contamination remediation that may be required. Some of the building (25k sqft) will be leased back to Lahey for 10 years at \$21/ sqft (for an annual rent of \$525k) to start with and an agreed increase schedule over the 10 yr period. Either the Town or Lahey may break the lease w/o penalty at 2 yrs or 5 yrs into the agreement. The Town's commitment to renovating the space is capped at \$37500. Lahey will waive relocation assistance should the Town break the lease. Maher had the advice of 4 law firms. The Town Meeting will be asked

to approve bonding for operation & maintenance costs as well as acquisition costs for a total of \$12 to 15m. Lahey's board will act 1/18, after Town Meeting.

Maher plans to request the annual Town Meeting to approve a Home Rule petition that would allow the Town to use any revenue after expenses derived from the Symmes property to reduce the tax rate until the initial investment by the taxpayers is repaid.

Questions from the FinCom:

Q How much of building will be leased back? 12%

Q When will FinCom receive an information package including the recommended vote? Hand deliver by 12/29. Mail to Town Meeting members 12/29.

Q What did Lahey pay in 1994 to acquire site? \$4.5m Also assumed pension responsibility for Symmes employees.

Q Who controls Trust Funds? Sanborn Fund (\$6.5m) will continue to be controlled by Board of Selectmen. Symmes Fund (\$3.5m) will be controlled by a committee with representative from all interested parties to be spent for hospital purposes.

Q How will \$7.1m be raised? Bonding. No outside sources are expected.

Q Will the Town Meeting have a business plan for the property? Yes, from Symmes Committee.

Q Was override vote broad enough to cover operation & maintenance costs? Yes

Q How much to renovate offices? To be determined.

Q Have other towns done deals like this? Arsenal Mall & industrial parks are similar.

Q If the Town decides to sell after 2 yrs, won't we lose control? No because the sale would include restrictions which could not be trumped by 40B.

Q Is affordable housing still part of the plan? Yes.

COMMITTEE BUSINESS:

New members introduced and welcomed.

Next mtg Jan 2. Plan to vote on Symmes purchase.

Peter B Howard
Secretary 12/20/01